

§ 58-27-5. Prohibition against payment or receipt of title insurance kickbacks, rebates, commissions and other payments.

(a) No person or entity selling real property, or performing services as a real estate agent, attorney or lender, which services are incident to or a part of any real estate settlement or sale, shall pay or receive, directly or indirectly, any kickback, rebate, commission or other payment in connection with the issuance of title insurance for any real property which is a part of such sale or settlement; nor shall any title insurance company, agency or agent make any such payment.

(b) Any person or entity violating the provisions of this section shall be guilty of a Class 2 misdemeanor which may include a fine of not more than five thousand dollars (\$5,000).

(c) No persons or entity shall be in violation of this section solely by reason of ownership of stock in a bona fide title insurance company, agency, or agent. For purposes of this section, and in addition to any other statutory or regulatory requirements, a bona fide title insurance company, agency or agent is defined to be a company, agency or agent that passes upon and makes title insurance underwriting decisions on title risks, including the issuance of title insurance policies, binders and endorsements, and that maintains a separate and distinct staff and office or offices for such purposes. (1973, c. 1336, s. 1; 1985, c. 666, s. 24; 1993, c. 504, s. 41, c. 539, s. 453; 1994, Ex. Sess., c. 24, s. 14(c).)